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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

2002 AUG -8 P 4: 03

WILLIAM A. MUNDELL
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COMMISSIONER
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COMMISSIONER

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AZ CORP COMMISSION
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IN THE MATTER OF THE APPLICATION)
OF SUN CITY WATER COMPANY AND)
SUN CITY WEST UTILITIES COMPANY)
FOR APPROVAL OF CENTRAL ARIZONA)
PROJECT WATER UTILIZATION PLAN)
AND FOR AN ACCOUNTING ORDER)
AUTHORIZING A GROUNDWATER)
SAVINGS FEE AND RECOVERY OF)
DEFERRED CENTRAL ARIZONA)
PROJECT EXPENSES.)

DOCKET NOS. W-01656A-98-0577
SW-02334A-98-0577

**SUN CITY TAXPAYERS
ASSOCIATION'S RESPONSE TO
STAFF'S JULY 26, 2002
MEMORANDUM**

The Sun City Taxpayers Association (the "Taxpayers") responds to the Memorandum dated July 26, 2002 filed in this matter by Commission Staff. It is unfortunate that Staff presents the available options to analyze the affects of the Agua Fria Recharge Facility upon the groundwater levels in the area underlying the Sun Cities as either requiring at least six months and/or costing as much as \$100,000 to complete. It appears that these estimates are based upon misinformation the Commission Staff has obtained from an unnamed member of the Arizona Department of Water Resources ("ADWR"). Neither the projected time period nor the projected expense is an accurate estimate to fully comply with the direction of Commission.

An Evaluation can be completed in less than a month and for under \$15,000.

The affidavit of Philip C. Briggs (an experienced hydrologist and former deputy director of the ADWR) indicates that the availability of two models from the ADWR will permit a competent hydrologist to perform the evaluation of the impacts of the Agua Fria recharge project, including its potential benefits on the Sun Cities in less than a month and for a cost of less

1 than \$15,000. Mr. Briggs has offered to make copies of the models available to the Commission
2 for use by the Commission's independent expert at no cost. See, Exhibit A attached hereto. This
3 will avoid any delay in securing the necessary models once an independent expert is selected.
4 Clearly, the fundamental premise of Commission Staff's July 26, 2002 Memorandum is faulty.

5 **A Staff Report fails to comply with the Commission's direction.**

6 As a result of this faulty premise, Commission Staff seeks clarification and
7 suggests an alternative to the direction it received from the Commission. In particular,
8 Commission Staff suggests that rather than securing an independent assessment that Commission
9 Staff prepare its own report addressing, at least in part, the issues set forth by Chairman Mundell.
10 The Taxpayers are concerned that such a report will not represent a study at all. Instead it
11 appears that the Staff intends merely to gather opinions and preferences of unidentified persons
12 unsupported by any particular study and with no more reliability than reflected in the Staff's July
13 27, 2002 Memorandum. This is not the type of independent evaluation requested by the
14 Commission.

15 **The ADWR should no longer be relied upon in this matter.**

16 At the procedural conference, legal counsel indicated that the Taxpayers would not
17 object to the Commission Staff seeking expert assistance from either the ADWR or the Central
18 Arizona Water Conservation District. However, the Taxpayers believe the letter submitted by
19 Joseph Smith, Director of the Arizona Department of Water Resources and attached to the Staff's
20 July 26, 2002 Memorandum, now casts serious doubt on ADWR's ability to provide the objective
21 and unbiased opinion regarding the potential impacts of the Agua Fria Recharge Project sought by
22 the Commission. In the letter, the Director expresses his unqualified support for the golf course
23 pipeline advocated by Arizona-American and characterizes the proposal as both "innovative" and
24 "cost-effective." Certainly the Director has every right to docket his opinion of the golf course
25
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1 pipeline project with the Commission. However, his doing so while the Commission is
2 requesting ADWR's technical assistance and without awaiting the results of the evaluation
3 requested by the Commission creates an impression of bias that must not be ignored.

4 Based upon this letter, coupled with what, at best, can be characterized as
5 misinformation provided by an unnamed ADWR source to Commission Staff, the Taxpayers
6 must respectfully request the Commissioners direct their Staff to cease reliance on the ADWR as
7 their independent expert in this matter.

8 WHEREFORE, the Taxpayers respectfully request the Commission reject the
9 Commission Staff's July 26, 2002 Memorandum and direct its Staff to immediately hire an
10 independent consultant to perform the evaluation of the impacts of the Agua Fria recharge project,
11 including its potential benefits on the Sun Cities, in compliance with the original direction of the
12 Commission.

13 Respectfully submitted this 8th day of August, 2002.

14 MARTINEZ & CURTIS, P.C.

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17 William P. Sullivan, Esq.
18 2712 North Seventh Street
19 Phoenix, Arizona 85006-1090
20 Attorney for Sun City
21 Taxpayers Association
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PROOF OF SERVICE AND
CERTIFICATE OF MAILING

I hereby certify that on this 8th day of August 2002, I caused the foregoing document to be served on the Arizona Corporation Commission by hand-delivering the original and ten (10) copies of said document to:

Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, Arizona 85007

Copies of the foregoing hand-delivered this 8th day of August, 2002, to:

Christopher Kempley, Chief Counsel
Janet Wagner, Staff Counsel
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Ernest Johnson, Director
Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Dwight Nodes, Administrative Law Judge
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

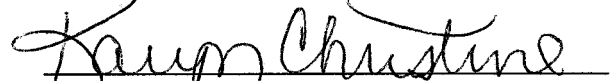
Copies of the foregoing mailed this 8th day of August, 2002, to:

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Attorney for CAP Task Force


15031-8\pleadings\response to staff memo.00808.02

AFFIDAVIT OF
PHILIP C. BRIGGS, P.E.

STATE OF ARIZONA)
) ss.
County of Maricopa)

I, Philip C. Briggs, upon first being duly sworn upon my oath do say:

1. Your Affiant is a former deputy director of the Department of Water Resources and has been practicing hydrology in the State of Arizona for more than 40 years.

2. Your Affiant has determined that at least two groundwater models are available as public records from the Arizona Department of Water Resources ("ADWR") that can be readily utilized to evaluate the impact of the Agua Fria Recharge Facility on the Sun Cities.

3. Your Affiant has obtained a digital copy of one model and is in the process of obtaining a digital copy of the second model. The second model is of most interest. It was submitted to ADWR in October of 2001 to demonstrate the potential impact of a new recharge project being actively developed by the Salt River Project to recharge up to 100,000 acre foot per year at a facility located just south of the Sun Cities at the confluence of the Agua Fria and New Rivers. This model was configured to evaluate the cumulative impacts of all currently permitted recharge facilities in the vicinity of the Sun Cities, including the Agua Fria Recharge Facility.

4. Your Affiant will provide digital copies and supporting hard copy documentation of either or both of the models to the Commission at no charge for their independent expert's use.

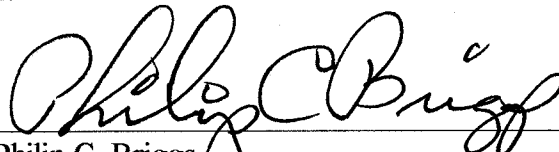
5. Due to the existence of these two models, your Affiant estimates that a complete evaluation of the potential impacts of groundwater

prepared by an experienced hydrologist, in less than a month and at a cost of under \$15,000.

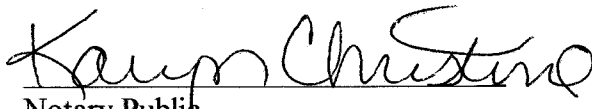
6. The foregoing time and cost estimates do not necessarily include the time to prepare for and testify at a contested hearing.

Further Affiant sayeth not.

Dated this 8 day of August 2002.


Philip C. Briggs

SUBSCRIBED AND SWORN TO BEFORE ME this 8th day of August 2002
by Philip C. Briggs.


Notary Public

May 14, 2006
My Commission Expires:

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